Idaho Carbon Sequestration Forestry Sub-committee

December 12th, 2006

Attendance:

Mike Hoffman, Soil Conservation Commission
Paul Mann, Bio [Fuels a Mass] Consulting
Richard "Tiny" Furman, IDL
William Schlosser, Northwest Management, Inc.
Frank Gariglio, USDA – NRCS
Dennis Murphy, Potlatch Corp.
Mike Bowman, Clearwater RC&D
Tera R. King, Northwest Management, Inc.

Introductions and Overview

Mr. Furman began the meeting by welcoming all of the participants. Dr. Schlosser gave a brief overview of the day's goals as well as the overall project goals. Dr. Schlosser also reiterated that the program they were developing was voluntary and that the seller would likely be less educated on the issue and the program than the buyer. It is not the intent of this committee to develop an emissions protocol.

Mr. Furman and Dr. Schlosser reminded the committee that it would be possible to present this program during this legislative session, if they were ready. At this time, the committee's goals are only to develop the market infrastructure and name the department that would be in charge of the program's administration. The committee believes that setting up a restrictive system will likely attract negative attention from the market as well as reduce its chances of passing through legislature. The development of more specific goals and protocols can be discussed and proposed as the program matures.

The goal of the day's meeting was to review the new sections of the "White Paper" and begin fine tuning some of the proposed ideas. The theme of the day was more to discuss the different aspects of the project rather than follow a specific agenda.

Review of the "Idaho Carbon Exchange Protocol: Draft"

Dr. Schlosser began the discussions by walking the committee through the draft "White Paper".

There was an in-depth discussion on whether or not this committee was technically developing a 'protocol'. Since the committee is not setting up a structured system, 'protocol' is not the best descriptor. Thus, it was decided that rather than call it a 'protocol', the white paper would use 'program'.

'*Carbon Cycle in Forest Ecosystems and Agricultural Lands'*

This section in the paper specifically talks about forest and agricultural ecosystems' role in the carbon cycle. The committee discussed whether or not to include rangelands in this section as well. Dr. Schlosser pointed out that native rangelands sequester very little carbon. It was also noted that rangelands converted to forestland are considered agricultural lands unless the rotation is extended beyond an identified threshold.

'Baseline Issues'

The white paper currently states that all baselines will be defined through the agreements entered into by the buyers and sellers. The committee discussed whether or not to include recommendations for minimum standards such as the Idaho Forest Practices Act (FPA) as a forestry baseline. The FPA may work as a baseline because it is the same for all landowners. The agriculture baseline would have to be developed by the Agriculture Subcommittee.

Caveats would also have to be made to account for issues such as afforestation and rangelands.

'Conversion to Carbon Stable Products'

The committee discussed whether or not buyers would see the value of carbon stable products. It might be worthwhile to build carbon stable products into the baseline; however, only the additional product would count as there would be some product at the baseline. Some type of reporting of by-products may also be necessary to account for conversion.

'Project Level Emissions'

The website could include reference tools and/or links to other informative websites. The website could also document the state average.

'Project Level Scoring'

Dr. Schlosser noted that it would be fairly straight forward to develop a web-based calculator for scoring project quality using King's formula, in fact, this may already exist.

It is important that there be documentation and verification of project quality scores. This would include not only a verification a stand's volume and health, but also of soils, habitat types, and additional management rather than rely on models and soil surveys. This would likely require some level of professional services.

'Environmental Auditors' and 'Offset Aggregators'

The committee discussed concerns over the cost of an audit. It is not the intent that the cost of the audit would be so high as to offset the profit. Dr. Schlosser pointed out that not every sale would require an audit. Audits would be at the request and cost to the buyer.

The committee feels that an International Standards Organization (ISO) qualified auditor should be required; however, the white paper must reference the correct ISO field. Mr. Murphy believes that ISO is developing an audit program specifically geared towards carbon sequestration. Idaho should also offer additional training, possibly a half day course, on carbon auditing and Idaho's program.

The white paper currently recommends that qualified auditors and approved offset aggregators should be listed on the website as a reference to buyers and sellers. This would help promote auditors and aggregators the program is familiar with and have proven themselves to be ethical.

'Carbon Encumbrance Inventory'

The CEI should remain voluntary until a buyer or seller signs up. One concern the committee has with the CEI is how to verify that the information reported is accurate. One way to deal with this may be to conduct random verifications of a small percentage of participants. The CEI should include a check box regarding whether or not a particular project has been audited or had a site visit.

'Legislation'

The committee believes it is important to make everything voluntary until participants sign up. Carbon Offset Providers should get a certificate of participation/compliance when they register a project on the website. The certificate could then be used as a type of marketing tool. There may need to be a nominal administrative fee ($25?) to help offset the cost of printing and mailing the certificate as well as staff time to review the documentation.

Mr. Furman noted that how this committee presents the information to legislature is very important. He feels that adding some of the FVS modeling and the diagram from "Increasing

long-term storage of carbon sequestered in Russian softwood logs through enhanced lumber recovery (Schlosser et al)" should be added as visual aids. One page could include the quantitative information and the next page could discuss the qualitative information. It was also Mr. Furman's suggestion that we only include a minimal amount of the complicated economics charts and formula's as they tend to be intimidating. It may also be worthwhile to include statistics that show what the potential carbon exchange in Idaho (i.e. number of landowners, land base, etc.).

Presentation on FVS Modeling of Carbon

Tom Richards from Northwest Management, Inc. presented calculations derived from FVS modeling, which can now model carbon content in forest stands. Mr. Richards illustrated the accumulation of carbon using different management techniques. This type of modeling shows that the additionality of some management techniques can increase the amount of carbon sequestered. This program can be used on a site specific basis in the same way it is currently used to calculate timber volume.

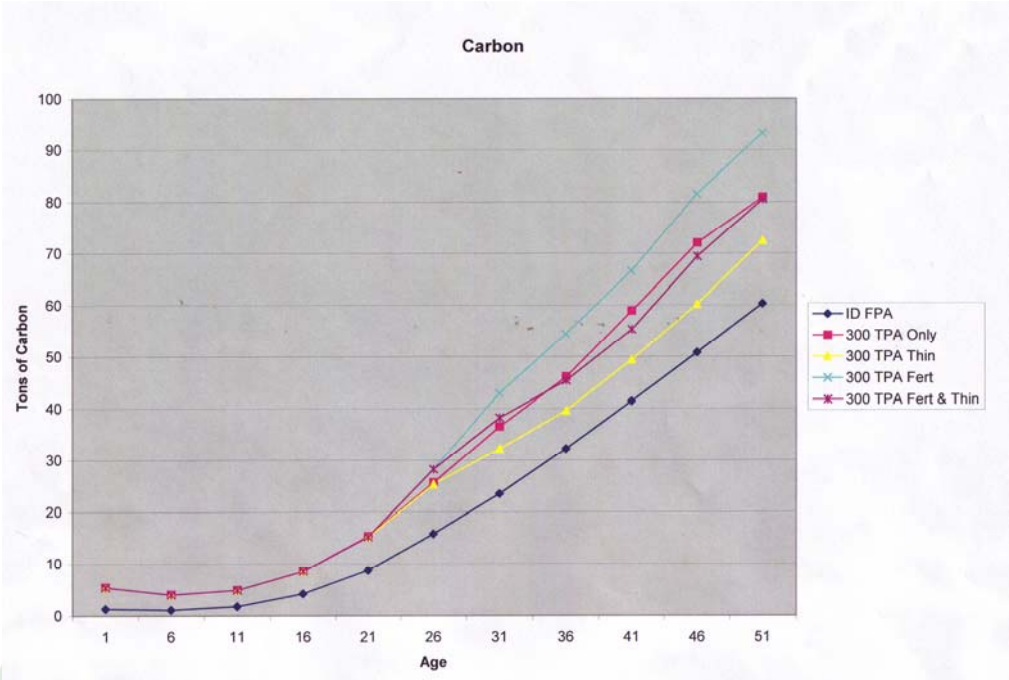
Idaho Carbon Sequestration
Carbon Sequested by Various Stockings and Treatments
FPS VERSION 6.21 -- INLAND EMPIRE PROGNOSIS

		ID FPA		300 TPA Only		300 TPA Thin			300 TPA Fert		300 TPA Fert & Thin		
YEAR	AGE	TPA	Total Carb	TPA	Total Carb	TPA	Total Carb	Removals	TPA	Total Carb	TPA	Total Carb	Removals
2006	1	170	1.3	300	5.4	300	5.4	0	300	5.4	300	5.4	0
2011	6	150	1.1	265	4.0	265	4.0	0	265	4.0	265	4.0	0
2016	11	132	1.8	234	4.9	234	4.9	0	234	4.9	234	4.9	0
2021	16	129	4.2	226	8.5	226	8.5	0	226	8.5	226	8.5	0
2026	21	128	8.7	224	15.3	224	15.2	0	224	15.2	224	15.2	0
2031	26	127	15.8	222	25.6	222	25.3	0	222	28.2	222	28.2	3.0
2036	31	127	23.5	220	36.5	220	32.2	2.5	220	42.9	220	38.2	0
2041	36	125	32.2	214	46.1	119	39.6	0	214	54.4	118	45.4	0
2046	41	123	41.4	209	58.9	117	49.4	0	208	66.6	116	55.3	0
2051	46	121	50.8	202	72.0	114	60.2	0	201	81.5	114	69.4	0
2056	51	118	60.3	195	80.9	112	72.5	0	194	93.2	111	80.5	0

Initial Condtions

FPA Minimums
Grand fir Habitat type
Stocking - 170 TPA
Mix of PP(100) and DF(70)
Flat Ground, 5% slope
No Calib for HT, Dia, Mort

Timber Management
Grand fir Habitat type
Stocking - 300 TPA
Mix of PP(150) and DF(150)
Thin @ 35 years of Age
Fert @ 46 years of Age



General Comments

1) The committee should consider how contracts will actually be sold; lump sum (greatly discounted) or annual lease payments.

2) The white paper should include more information on what is currently happening with carbon sequestration programs. There should also be a clear explanation of what and why Idaho is developing a carbon program. Mr. Furman also thought there should be a brief summary of the legislation section in the Executive Summary.

3) The entire program should be voluntary until a participant signs up. This would mean that there could still be direct transactions between buyers and sellers without participating in the program. Participants would have to sign up in order to gain State recognition (certificate).

4) Education of the sellers in Idaho is important to the program. The market will mature as participants become better informed. Local extension programs may be one avenue to begin getting the information distributed.

5) Along with a list of approved auditors and offset aggregators, the website could also list potential consultants and a list of those that had completed Idaho's training course. The website could also contain a list of forestry methods recognized as increasing carbon sequestration; however, this would need to be presented as a non-inclusive list.

Adjournment

Dr. Schlosser agreed to revise the white paper to include the issue discussed at this meeting and provide it to the committee by December 19th.